

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3465 - SB 3819**

March 4, 2010

**SUMMARY OF BILL:** Authorizes and strongly encourages the regulatory boards within the Department of Commerce and Insurance and the Division of Health Related Boards to adopt the method established by the Tennessee Real Estate Commission for the timely notification of any accused applicant or licensee of its receipt of a complaint filed against that person and establishing a similar statute of limitations.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$120,000/Health Related Boards**

**Not Significant/Professional Regulatory Boards**

**Increase State Expenditures – \$5,400/One-Time/Health Related Boards**

**\$114,600/Recurring/Health Related Boards**

**Not Significant/Professional Regulatory Boards**

**Assumptions:**

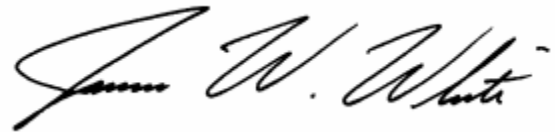
- Pursuant to Tenn. Code Ann. § 62-13-313, the Tennessee Real Estate Commission will notify a respondent in writing of a complaint filed. The respondent then has 10 days in which to respond to the complaint. A complaint must be filed with the Commission within two years from the date of the alleged violation, within the statute of limitations pursuant to Tenn. Code Ann. § 40-2-101 if the violation is a criminal offense, or 10 days after a successful criminal prosecution becomes final.
- According to the Department of Commerce and Insurance, the professional regulatory boards will be required to hold rulemaking hearings which will be accomplished during regularly scheduled meetings and will not result in a significant increase in expenditures. Any cost can be accommodated within the existing resources of the professional regulatory boards.
- According to the Department of Health, the health related boards do not send a notification letter to a licensee unless there is an investigation into a complaint. The Division receives approximately 2,500 complaints each year.
- The Department estimates two additional administrative positions will be needed to manage the notification requirements resulting in an increase of recurring expenditures of \$113,399 which includes salaries (\$65,820), benefits (\$22,379), administrative services (\$15,800), office leases (\$8,200), and supplies (\$1,200). There will be an increase in one-time expenditures of \$5,400 for office landscaping.
- There will be an increase in recurring expenditures of \$1,200 for postage.

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- The boards within the Division will increase fee revenue by \$120,000 to cover the increase in expenditures.
- Any necessary rulemaking will be accomplished during the regularly scheduled meetings of the boards. Any cost can be accommodated within existing resources.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2008, the Division had a balance of \$1,000,000. The Division's FY08-09 balance is not yet available.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml